



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Stephen M. Haase

**SUBJECT:** ASSUMING REGULATORY  
RESPONSIBILITY FOR MOBILE  
HOME PARKS

**DATE:** May 24, 2005

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Approved /s/

Date 05/26/05

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## **RECOMMENDATION**

Petition the State of California's Department of Housing and Community Development to assume regulatory responsibility for mobile homes and Mobile Home Parks in San Jose only if and when the State allows the fees to be increased to a level that would allow 100% recovery of City costs.

## **BACKGROUND**

During the Economic and Neighborhood Development CSA budget study session with the City Council on May 17, 2005, Councilmember Chuck Reed requested a report examining the possibility of the City of San Jose assuming regulatory responsibility for mobile home and Mobile Home Parks in San Jose. The City has received reports from mobile home residents and the California Mobilehome Resource and Action Association (CMRAA) regarding unsatisfactory levels of service from the State's Department of Housing and Community Development (HCD).

## **HISTORY**

In 1976, the City assumed regulatory responsibility for mobile homes and Mobile Home parks in San Jose. One Code Enforcement Inspector position was assigned to this program at that time. On August 20, 1991, the City Council determined that it was in the public interest to transfer the responsibility for the inspection of mobile homes from the City to HCD and passed Resolution No. 63224 to effectuate the transfer.

The City's Mobilehome Rent Control Ordinance was passed in 1979 and administered by the then Department of Neighborhood Services. In 2002, the Rental Dispute Program was transferred to the Housing Department and renamed the Rental Rights and Referral Program. The Rental Rights and Referral Services Program provides information to mobilehome park owners

and tenants regarding their protections from rent increases under the ordinance. The Housing Department also provides small amounts of grant funding to mobilehome owners to perform minor repairs to their units.

## **ANALYSIS**

### **State Role**

The State of California Department of Housing and Community Development (HCD) currently has regulatory responsibility for approximately 10,744 mobile homes located in 60 mobile home parks in San Jose. Currently, HCD has 36 Inspectors statewide, a reduction from 160 over the past 15 years. Two Inspectors are assigned to the Northern Area, which includes San Jose. HCD staff has indicated that numerous attempts to raise fees over the past 22 years have not garnered the necessary legislative support. State Inspectors are assigned the responsibility of responding to *Requested Services*, which include new coach installation such as awnings and additions. These services are provided on a weekly basis within San Jose.

In addition, State Inspectors respond to resident complaints that are prioritized as either *Imminently Hazardous* or *Unreasonable Risk*. Complaints characterized as *Imminently Hazardous* to the welfare of the resident (e.g. overflowing sewage) are inspected within 24 hours. Those conditions reported that are categorized as an *Unreasonable Risk* to the health and safety of the resident receive a response within a week. Issues considered “Non-threatening”, such as nuisance and neighbor disputes, are inspected within two to three weeks.

The Mobile Home Parks Act, Division 13, Part 2.1, Section 18300 (a) of the California Health and Safety Code (H & S Code), allows the City, upon thirty days written notice to the HCD, to assume the responsibility for enforcement of the H & S Code and associated regulations. The City would become the Local Enforcement Agency (LEA) for the State for mobile homes located within San Jose and would enforce State laws and regulations only, not City ordinances.

### **Local Role**

Prior to assumption of responsibilities, the City would need to demonstrate to HCD that it has met a number of conditions and requirements and is qualified to enforce State mobile home park law. These conditions include a requirement that the LEA will provide qualified personnel who have been trained and are familiar with the relevant State law. The conditions also include a requirement that the LEA adopt the State’s schedule of fees (which is discussed in further detail below.) If approved, HCD would transfer the responsibility for enforcement to the City together with all records of parks within the jurisdiction of the City. HCD would retain responsibility for alterations and additions to mobile home units. HCD would retain the ability to enforce provisions of the H & S Code if it is determined that the City has failed to discharge its responsibility. In addition, HCD may cancel the assumption responsibility upon providing 30 days notice to the City.

Fees Prescribed by State Regulations

The California Code of Regulations (CCR) details the fees and requirements imposed on all aspects of mobile home park construction, maintenance and habitability. Further, regulations as outlined in the H & S Code describe and direct the LEA in all aspects of plan review, issuance of building permits, enforcement, and prescribes fees that may be collected for each of these activities. The State fees would not be 100% cost-recoverable to the City for the services provided. A sampling of the State schedule of fees, in comparison to current San Jose cost-recovery building permit fees, is reflected in the following table:

	<i>State of California Fees</i>	<i>City of San Jose Fees</i>
<i>Installation permit fee</i>	<i>\$100.00 Provided the inspection is not more than one hour, plus \$30 for each thirty minutes in excess of one hour.</i>	<i>Current modular home price is \$830.00, installed on private property.</i>
<i>Reinspection fee</i>	<i>\$60.00</i>	<i>\$83.00 per half hour</i>
<i>Permit issuance fee</i>	<i>\$20.00</i>	<i>\$110.00 minimum or actual processing time at \$100 per hour.</i>

Certain construction and alteration permit fees for mobile home accessory buildings and structures that have a standard plan approval, as defined in CCR Section 1020, are as follows:

	<i>State of California Fees</i>	<i>City of San Jose Fees</i>
<i>Each private garage</i>	<i>\$95.00</i>	<i>\$332.00</i>
<i>Each awning garage or porch</i>	<i>\$30.00</i>	<i>\$166.00</i>

In addition, fees for facilities and installations on lots within mobile home parks are as follows:

Electrical and Plumbing Permit Fees

	<i>State of California Fees</i>	<i>City of San Jose Fees</i>
<i>Each park service</i>	<i>\$14.00</i>	<i>\$166 per lot minimum</i>
<i>Each electrical alteration, repair or replacement</i>	<i>\$7.00</i>	<i>\$83.00 per lot minimum, plus permit issuance fee</i>
<i>Each park drain system</i>	<i>\$14.00</i>	<i>\$166 per lot minimum</i>
<i>Each installation or repair of drainage or vent piping</i>	<i>\$7.00</i>	<i>\$83.00 per lot minimum, plus permit issuance fee.</i>

Other Fees

	<i>State of California Fees</i>	<i>City of San Jose Fees</i>
<i>Standard plan application fee for foundation</i>	<i>\$100.00 (CCR Section 1026)</i>	<i>\$166.00 per hour of review. Estimate 2 hours.</i>
<i>Fee for resubmission for plan checking</i>	<i>\$10.00 (CCR Section 1026)</i>	<i>\$170.00 per hour</i>

Anticipated Revenue

The State prescribes the fees that local jurisdictions may collect if they assume responsibility for the Mobile Home Park Program. California Code of Regulations Section 1008 permits the collection and retention of the following fees:

1. An annual permit to operate fee of \$25; and
2. An additional \$2 per lot, or per campsite; and
3. An additional \$4 dedicated per manufactured home or mobile home lot to park maintenance inspections.

There are currently 60 Mobile Home Parks in San Jose, with 10,744 mobile homes. Projected annual revenue would be estimated at \$66,000.

Enforcement Staff Costs

It is estimated that three Code Enforcement Inspectors and a part-time Sr. Account Clerk would be needed to manage this program.

<b>Personal Svcs, Non-Personal &amp; Equipment</b>	<b>One-Time Costs</b>	<b>On-Going Costs</b>
3.0 FTE Code Enf. Inspectors		\$257,403
.50 FTE Senior Account Clerk		\$ 33,250
Non-Personal	\$ 9,110	\$ 10,600
Vehicles (three sedans)	\$58,560	\$-0-
<b>TOTAL</b>	<b>\$67,670</b>	<b>\$301,253</b>

As mentioned, the regulatory fees for building permits for alterations are mandated by the State in Title 25 of the California Code of Regulations. It would be anticipated that a significant subsidy by the General Fund would be necessary if Code Enforcement were to assume LEA responsibilities. In addition, the plan check and building inspection fees, as defined in Title 25, would not be 100% cost recoverable for the services provided by the Building Division. This would necessitate these costs being absorbed by the General Fund.

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### **CONCLUSION**

The City of San Jose is faced with the challenge of balancing a General Fund deficit of approximately 60 million dollars. This has created significant impacts on current City services. Assuming regulatory responsibility for Mobile Home Parks would require a subsidy by the General Fund. The City should continue to monitor the fees collected by the State for this Program, and if the State raises the fees to a level which would support the Program at 100% cost recovery, the City should revisit the opportunity to assume this Program.

### **COORDINATION**

The preparation of this memorandum was coordinated with the Housing Department, the City Attorney's Office and the City Manager's Budget Office.

/s/

STEPHEN M. HAASE, DIRECTOR  
Planning, Building and Code Enforcement